

# **EXHIBIT 14**



CAR TECHNOLOGY

# 'Accidental Billionaire': How The Outlandish Ambition Of Faraday Future's Financier Brought The Startup To Its Knees

Illustration by Sam Woolley/Jalopnik



Ryan Felton

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In Rancho Palos Verdes, an affluent suburb of Los Angeles, there's a 7,800 square foot mansion that sits atop a picturesque bluff, offering sweeping views of the Pacific Ocean. Across two stories, the home contains six bedrooms, seven bathrooms, a three-car garage, and privacy. Google Maps doesn't offer a streetview of the site. For the city it's in, the property isn't unusual. What's unusual is who owns it: Ocean View Drive Inc.

Ocean View is registered to Chaoying Deng, [vice president of administration](#) for electric car startup Faraday Future, [according to previously unreported state filings](#). In 2016, [the company reported](#) its CEO was Jia Yuetong, the Chinese tech entrepreneur and Faraday's main financier.



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## Faraday Future Accuses Ex-CFO Of 'Malfeasance' During His Tenure In Bizarre Statement

The saga of would-be world-beater electric car startup Faraday Future got weirder than usual this...

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Away from the financial problems that have very publicly plagued Faraday over the last year, Ocean View—a shell company that's part of Jia's tech empire—has continued to maintain the home in Rancho Palos Verdes as a centerpiece of the chaos that has grown to consume his startup. It has a nickname among Faraday's execs—The Clubhouse—and it serves a number of purposes, four sources familiar with Faraday told Jalopnik: It's a guesthouse for new employees, a space for company meetings, and a luxurious setting for events, with a private chef ready to whip together exquisite meals for whatever occasion arises. Bottles of whiskey and wine valued up to \$2,000 are a common fixture at Clubhouse gatherings, one source said.

The opulent lifestyle captured by the sprawling home is a stark contrast to the persistent struggles of Faraday. This month, a fresh slate of executives departed the company, leaving Jia virtually alone to salvage his already tattered image as a savvy entrepreneur.

*“I consider him an accidental billionaire,” said a former Faraday employee who spoke on the condition of anonymity to Jalopnik.*

*“Some things just came easy.”*

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Faraday debuted in 2015 with eye-popping claims about how cars of the future should be built. It wanted to make fully autonomous, sleek all-electric vehicles that are finely tuned and connected to the driver's taste, just as their smartphone could be. It was promised to be better than all current cars, to make today's machines

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"The car should begin to learn my desires, learn what I like, where I want to go," Nick Sampson, Faraday Future senior vice president, said in 2015. But the company has failed to deliver anything more than a few prototypes and an endless number of questions.

Faraday's current situation feels a lot like this time last year, when its voracious appetite for debuting a flagship car at the CES conference in Las Vegas clashed mightily with its ability to stay financially afloat. The splashy but unfortunate CES presentation came and went, and now 2017's looking like it'll end the same way as 2016: the bleeding simply hasn't stopped.

Faraday's job turnover has continued unabated, it's still low on cash, and previously unreported lawsuits show it's facing new legal claims for all too familiar reasons—failing to pay everything from a food caterer to rent for a warehouse.

Faraday Future declined to make someone available for an interview, and in response to a series of detailed questions, sent a brief statement to Jalopnik.

"As a private company, we will not comment on any financial, legal or business planning matters regarding Faraday Future or its investors," the company said.

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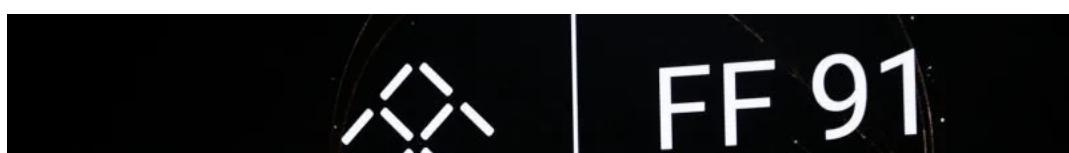
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Faraday's at a breaking point, and at the center remains Jia—the 44-year-old founder of equally troubled Chinese tech conglomerate LeEco—whom sources describe as stubborn to a fault. He refuses to cede any control of Faraday, even at the risk of running it into the ground. Investors have been at the table this year, ready and willing to buy a stake of the startup, but sources said every deal came contingent on Jia stepping aside. So far, sources said, Jia has refused.

Jalopnik spoke to seven former employees and people familiar with Faraday, and each offered a similar take on the company's viability: if Faraday's going to survive, they said, it can likely only be done with Jia out of the picture.

"[Jia] actually has proven himself as an exceptional entrepreneur—highly successful, highly respected," said Michael Dunne, president of Hong-Kong based consulting firm Dunne Automotive and an expert on the Chinese auto industry. "It's just a bridge too far in this case."



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Photo: AP

Jia has made a career of trying to revolutionize the tech industry at breakneck speed. He earned billions having launched the so-called “Netflix of China.” A few years back, armed with his charisma, enthusiasm and a flush bank account, he set out to throttle the auto industry into a future where electric and autonomous cars reign.

But with several high-ranking Faraday executives now out of the picture, Jia finds himself staring at a mountain of financial liabilities, which have continued to grow since the fall of 2016, when construction firm AECOM asked the company to cough up \$21 million for past-due bills. In early October 2016, AECOM told the company it needed to pay up, or work on a planned factory in Nevada would stop. (Faraday has since altogether abandoned plans for the \$1 billion plant.)

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At the time, Faraday said the money was on its way. Ocean View also had something in the works. Eleven days after AECOM sent its letter, records show, Ocean View submitted an application to construct new features at the mansion in Ranchos Palos Verdes: a pool and a spa.

The timing captures the shoot-from-the-hip approach sources ascribed to Jia and the perennial explanation he’d offer up whenever questions of his priorities arose—the money’s there, one refrain went, be it Faraday’s bills or fine-dining.

“I consider him an accidental billionaire,” said a former Faraday employee who spoke on the condition of anonymity to Jalopnik. “Some things just came easy.”

Jia brought Faraday into murkier waters last week, after the company’s now-former chief financial officer, Stefan Krause, first confirmed to Jalopnik that he had resigned from the company in mid-October.

In an extraordinary statement, Faraday accused Krause of “malfeasance,” and tried to claim that it, in fact, had fired Krause. (Krause has since retained an attorney and vowed to pursue “all options available to me” in response to Faraday’s statement.)

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That day, Jia struck a defiant tone to Faraday's employees.

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"I know we have a dedicated team of more than 1,000 employees globally who continue every day, despite challenging head winds [sic] and disbelievers, to push forward with our goal of bringing [FF 91](#) to market," Jia said in an email, obtained by Jalopnik.



### Here's The 'Flagship' Electric Car That Faraday Future Promised, The FF 91

Following a disappointing introduction at last year's CES and a full 12 months of reports of...

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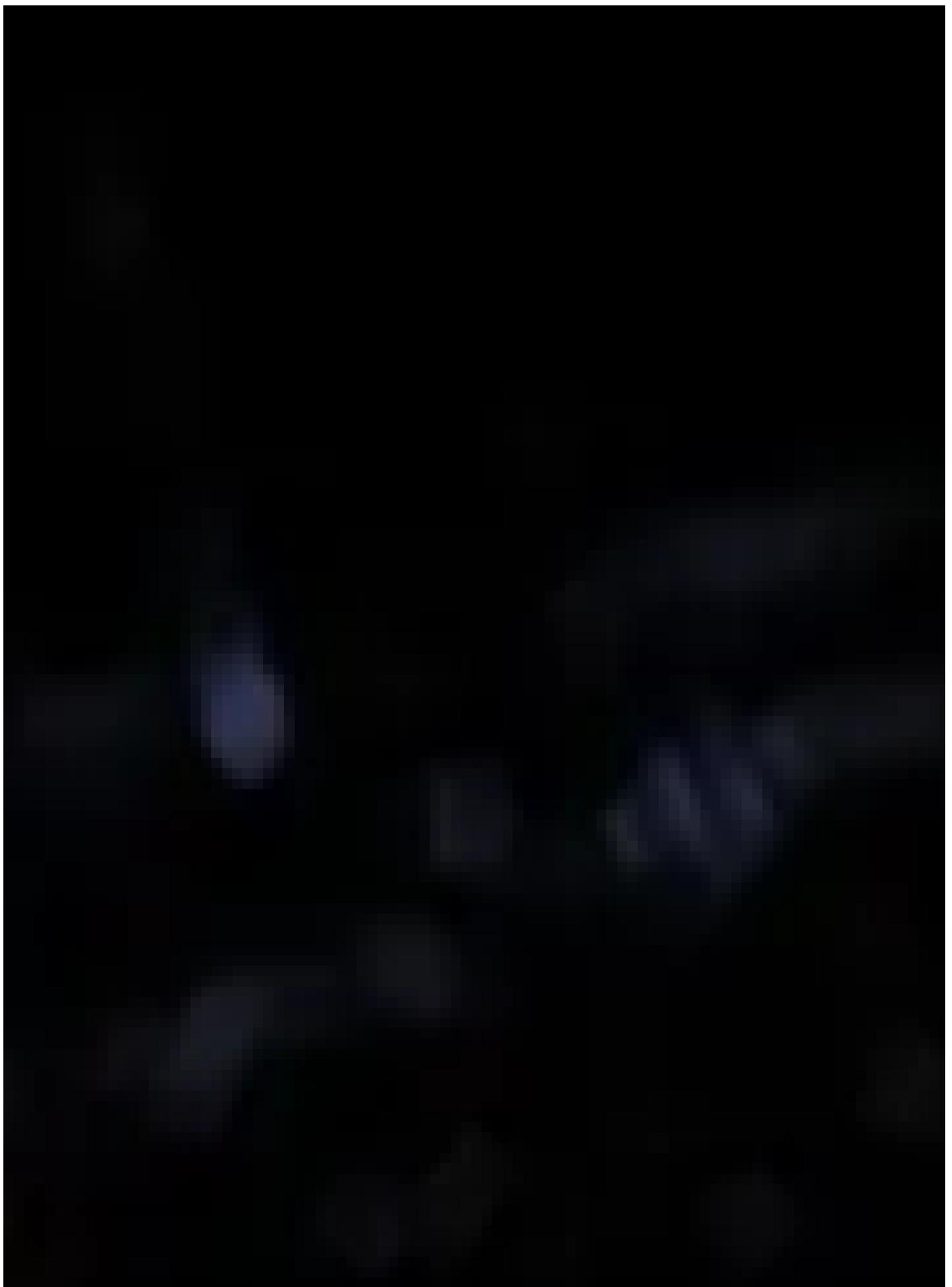
It was a typical response for the tech magnate, described by six former Faraday employees as an ambitious—and, at times, egotistical—visionary who refuses to relent on the project, despite the glaring circumstances surrounding it.

"He hasn't changed much as who he is," said one former employee. "It's public perception versus internal perception."

"He's more of a western gunslinger with an itchy finger," the ex-employee went on, "as opposed to a calibrated individual with rationale."

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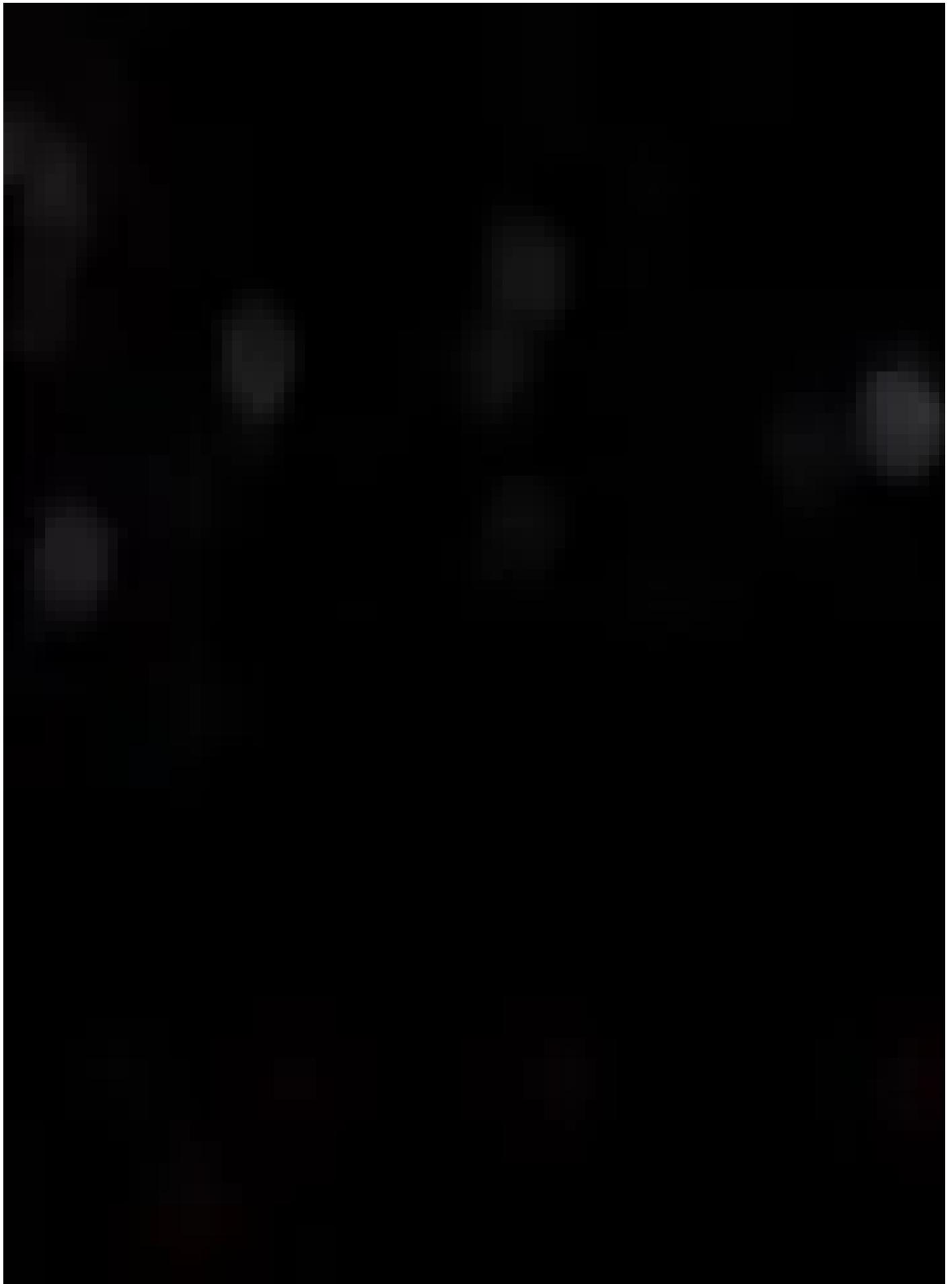
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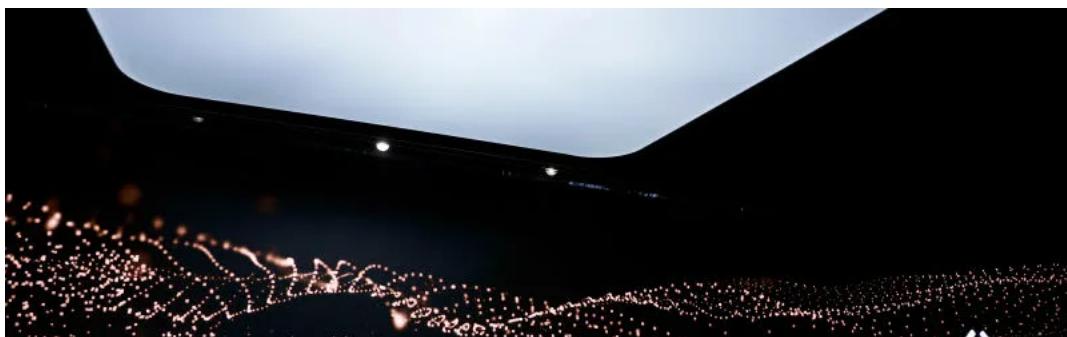
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Born in 1973 in the rural Shanxi province of China, Jia's upbringing was humble. Various accounts of his childhood portray his family as a frugal bunch, with pastimes that border on sensational: in the summertime, for instance, they would vacation in a steel factory.

After graduating from college, Jia immersed himself in technology. He worked briefly as a computer technician for a local tax office before setting out to launch his own business; early on in his career, he sold batteries for cell phone tower antennas.

One of his earliest successes came in 2002, having quit the tax firm to launch his first notable company, a wireless telecommunications venture called Sinotel Technologies. The company went public within five years. In that same timeframe, Jia founded Leshi, which is known as China's Netflix.

Under the umbrella of the name LeEco, Jia took Leshi public in 2010, and quickly expanded into several markets—televisions, streaming video services, films, and smartphones. The company's payroll swelled to more than 10,000 employees, and its publicly-listed entity started generating more than \$1 billion of revenue annually.



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Photo: AP

But the ascent of Leshi forced Jia's background into the limelight. In 2014, an aide to former Chinese president Hu Jintao was criminally charged for corruption. The situation revealed the aide's family member had previously invested in Leshi, two years before it went public, sparking accusations that Jia's business grew as a result of political connections.

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Soon after, Jia curiously disappeared out of the public eye, only to emerge several months later. He [explained to Forbes in 2015](#) that he had been seeking treatment for a tumor, and insisted he [didn't have a connection](#) to the Communist Party investigation. Jia told *Forbes* he wouldn't have accepted the family member's money had he known about the eventual issue that would arise.

*Sometime in 2014, Jia visited the United States and drove a Tesla for the first time. By the time he was done, Jia's mind was made up. "This is what we have to do," he purportedly said.*

The rift didn't slow Leshi down, even as observers started to wonder aloud if Jia had taken on too much at once. The company's growth and expansion plans into seemingly every sector of technology was beyond ambitious.

Jia was acutely aware of the challenges, especially in the face of fierce competition. In order to eke them out and survive, Leshi needed a continuous flow of cash.

"The listed company has to grow very quickly," he [told](#) *Forbes* in 2015. "We have to fund all those cash-burning new businesses."

Riding the momentum it had, Jia felt emboldened enough to start proclaiming that LeEco could take on every tech giant at once—Apple, Tesla, Netflix. All of them.

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LeEco presented itself like it was a rival, not a wishful competitor. Jia dressed like Steve Jobs—plain shirt, plain jeans, plain shoes—while LeEco hosted massive Apple-like product launches for new smartphones and TVs that lasted several hours. Investors bought into his vision, and as Jia’s empire grew, so did his swagger. His belief that LeEco could overtake a slate of tech giants at once occasionally exceeded what the public could tolerate; he once publicly compared Apple to Hitler. (He later apologized.)

Electric cars were in the picture, too. Dunne, the Chinese auto industry expert, recalled a story he was told about what turned Jia onto electrification: Sometime in 2014, Jia visited the United States and drove a Tesla for the first time. By the time he was done, Jia’s mind was made up. “This is what we have to do,” he purportedly said.

He invested in an electric car startup known as Atieva (now called Lucid Motors), and pushed LeEco to develop an EV of its own. The LeEco car had an ambitious, yet vague, vision—a “smart,” “connected,” fully-automated, all-electric ride that could hit up to 130 mph. In late 2014, he funded the launch of Faraday Future, which soon attracted a wealth of talent from Silicon Valley to traditional automakers, including Tesla veterans.

Faraday rolled out massive plans: a \$1 billion factory in Nevada (spurred by generous tax incentives), an electric supercar that would make Tesla cars feel slow, a fleet that would literally transform how the world views personal transportation.

“Tesla’s a great company and has taken the global car industry to the EV era,” Jia told Reuters in 2016. ”But we’re not just building a car. We consider the car a smart mobile device on four wheels, essentially no different to a cellphone or tablet.”

Faraday Future’s outlandish concept car that debuted in 2016 at CES.

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But Jia’s ostentatious vision Jia for Faraday wasn’t universally welcomed by insiders

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often prompted confusion among industry observers and journalists.

Did Faraday overlap with Lucid? Did Faraday and LeEco work together? Where did Jia's involvement and role start and finish? Why didn't Faraday have an official CEO? Was that Jia, and if not, why not? Little context was offered, leaving it an open-ended mishmash. (Jia has since said he plans to sell his stake in Lucid, which declined to comment.)

"He was always trying to do too many things at same time, and [didn't have] enough resources to be able to complete all successfully," one former employee said.

Or take Jia's initial business plan for Faraday. He didn't want to just beat Tesla. He envisioned churning out two million to three million cars annually within 10 years, with little overlap of platforms between each of the several models Faraday hoped to make, according to three sources who spoke with Jalopnik. He wanted several factories across the U.S. and China. And he wouldn't take anything but plants to call his own. One source said Faraday visited shuttered automotive sites, like a former General Motors plant in Louisiana, where struggling startup Elio Motors has tried to set up shop.

### Inside Sources Say Faraday Future Is A Bigger Catastrophe Than You Can Possibly Imagine

The billionaire's money stopped showing up. Senior executives resigned left and right. Suppliers...

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"Louisiana was offering incentives that were completely unheard of," said one source familiar with the matter. "And it wasn't just tax abatements, it was cash"—a package worth more than \$400 million in total.

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It didn't matter. Jia only wanted factories built from the ground up, all on a shoestring budget. Two sources said Jia was willing to commit as much as \$3 billion, but numerous investors backed out of deals once they realized he wasn't kidding about his grandiose 10-year plan.

It wasn't just that Jia's estimates for how much his auto empire would cost were slightly off; he was off by nearly an order of magnitude.

His top advisors, veterans in the car business, actually calculated the costs of what Jia wanted to do and came back with projections of \$25 billion. Jia just laughed them off, sources said, and expressed disbelief that was actually true.

"What they were asking for was so ludicrous," said one source familiar with Jia's plan. "They didn't realize that it takes a couple billion dollars just to build a car."

Then reality started to set in.

After emerging publicly in late 2015, the company geared up to reveal a car at the Consumer Electronics Show in Las Vegas. The hype was enormous, and the expectation was that Faraday would have something more than a concept to show off.

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Except it didn't. Faraday baffled the audience with a concept that looked straight out of the next Batman movie. Even as a supposed showcase for their technology, as concept cars often are, it didn't live up to the hype—or seem realistic to the crowd expecting a "real" car at CES. The "real car" was said to be coming, even in testing.

*He didn't want to just beat Tesla. He envisioned churning out 2 million to 3 million cars annually within 10 years, with little overlap of platforms between each of the several models Faraday hoped to make*

It was confusing, and it's no surprise why. Jia had already thrown a torrent of money at the project, and the end-result was a non-functioning, static concept dubbed the FFZERO1, something far-off from the purported Faraday vision.

Onstage at CES, executives likened their car to the iPhone in 2007, said it could be driven or fully autonomous, claimed it would "change everything we know about cars," promised advanced tech like AI learning and augmented reality, and said they would disrupt the way the world perceives mobility.

Photo: FF

In short, Faraday promised a car that could do everything today's cars could not. And all they were met with was raised eyebrows.

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Building cars isn't an easy task, but with the vision Jia had of the future—and seemingly endless Chinese tech money in the bank—it still wasn't difficult to lure in significant talent. The industry itself has since bought into similar thinking—a future where car sharing becomes obsolete, and in place, electric-powered fully-autonomous cars transport people through smartphone app-based platforms. In 2015, it seemed almost unfathomable to the public and auto industry alike. Not to Jia.

"His idea of how the automotive world in the future will look like is probably the best vision of what I've heard in the world," said one former employee.

Employees, paid handsomely, dove into the project headfirst. The company's headcount grew to 1,200. Here was a billionaire, willing to spend like crazy on a futuristic concept of the automotive world. It was a "paradise" for engineers and designers, two former employees said.

And despite the slow development of a flagship production-made car, there was no evidence of Faraday's cash running thin. But Jia's approach to EVs—funding Lucid Motors, launching a car through LeEco, while also funding Faraday entirely but separately—started to consume Faraday's efforts entirely.

By late 2016, glaring irregularities were becoming readily apparent in Faraday's books, with the company's then-director of corporate finance directly raising concerns about apparent commingling of funds due to the convoluted corporate structure of LeEco, a lack of internal controls, and insufficient bank account procedures.

If you were there, the writing was on the wall, sources said: the paradise wouldn't last.

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The clearest evidence that Jia had taken on too much came in October 2016. That month, the initial past-due notices floated in from construction firms at work on Faraday's factory in Nevada. Of course, this made employees inside uneasy.

At the same time, Jia was focused on debuting LeEco's EV, dubbed the LeSEE. In the weeks prior, Faraday employees had been pulled off their own projects to work on the LeSEE. LeEco planned to unveil the car at a glitzy presentation in mid-October.



### LeEco's Car Was Designed By Faraday Future Employees Who Didn't Get Paid For It: Report

Among the many mysteries surrounding cash-strapped electric car startup Faraday Future is where it...

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The event didn't go well. The LeSEE didn't make it to the show due to an unspecified accident. But Jia still had news to share. At one point, he was joined by Faraday's chief commercial officer, ex-Ferrari Formula 1 team boss Marco Mattiacci.

Speaking with Mattiacci, Jia said he intended for Faraday to use the forthcoming 2017 CES conference in January to launch the startup's own electric car.

This apparently caught everyone—including Mattiacci—off guard. Multiple sources who spoke to Jalopnik said that around this time, Faraday had two plans on the

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table: go to CES, or don't. Internally, the view of most high-ranking staff was that Faraday's flagship car, the 1,050 horsepower, theoretical Tesla-killer, electric crossover called the FF 91, wasn't ready.

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But Jia rebuffed any suggestion of backing down. "If you mark that three month period prior to CES, you'll start noticing the timeline of executives leaving," one source said.

Jia's insistence on having the car ready for CES meant employees had to work through the entire month of December—including Christmas and New Year's Day. One former executive at CES told Jalopnik that he was running on an hour of sleep per night.

"No one slept during those two last weeks," said one ex-employee. "Those crazy 'foot down' decisions from [Jia] is what angered most of the executives and triggered the exodus right before CES."

A budget for the show was initially pegged in the "mid-seven figures," another source said, but that was whittled down over time, as it became readily apparent that what Jia wanted couldn't be achieved.

Once higher-ranking executives started to leave, the floodgate opened up. Days ahead of the reveal, employees fled the company in droves. Realizing the circumstances they faced, a number of executives were pushing to cancel the showing and move the reveal to an independent event sometime later in 2017, two sources said. Jia still refused.

When the day arrived, the event had the appearance of Jia's past presentations. The room was buzzing with anticipation. But what was supposed to be a 45-minute affair turned into an interminable, awkward display of a company that still hadn't figured out what it wanted to be. A planned demonstration of the FF 91's auto-park capabilities went awry. The car beat a Tesla in a subjective drag race, but what does super-fast speeds have to do with the electric autonomous car world of the future?

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## Watch The Faraday Future FF 91's Embarrassing Self-Parking Fail Onstage

Oy. During a seemingly interminable presentation for the big Faraday Future reveal of its...

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Unfortunately, the presentation suggested Faraday's tech was vaporware when that wasn't the case. The car was built with numerous redundancies to keep it functioning in the event something fails. The environment itself just proved problematic.

Outside of CES, during test rides, the car's automated functions worked seamlessly. There was a legitimate reason for investors to take interest in the company.

But the parking demonstration was a clear-cut signal of the financial troubles looming above the company, said two sources. "That's why the interior wasn't shown at its full capacity," one source said, pointing to other issues with the car's doors. Some employees expected the demonstration to fail, sources said, due to the staging area itself—something Faraday VP Sampson conceded was an issue afterward—but the presentation went on anyway. It was a perfect example that captured Faraday's internal discord.

Still, the company presented itself with a hardened exterior. To the public, Faraday claimed the show was all part of an elaborate plan to tease the FF 91 out—multiple phases to the project were diligently explained—and, eventually, more would come.

"Despite all the naysayers, despite all the skeptics, we will persist," Nick Sampson, a Faraday senior vice president, said during the event. "We will carry on to make the impossible possible."

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But the chaos continued after CES. Following the presentation, the company was hit with a barrage of lawsuits: a \$1.8 million claim for glitzy, graphic presentations that went unpaid; \$580,000 for electric work at its headquarters; \$210,000 for a dispute over its website domain. (In general, Faraday has said that it doesn't comment on pending litigation, but in court filings has denied the allegations.)

In late January, Faraday was evicted from a warehouse it had rented out—the source of a recently-filed \$15 million claim filed by the property's landlord, Beim Maple Properties. After evicting Faraday, the complaint says, Beim Maple hasn't been able to secure a new tenant, and claims that its lease agreement allows it to recoup from Faraday any lost rent it could've received. (An attorney for Beim Maple didn't respond to a request for comment.)

And yet, Jia's charisma still managed to secure high-profile talent to run the company. Krause, a near-30-year veteran of BMW and Deutsche Bank, was brought on as global chief financial officer in March, tasked with securing "a sustainable path forward for Faraday Future in the global marketplace."

By summer, Krause set out on a fundraising expedition, aiming to raise \$1 billion for Faraday's project. In July, Ulrich Kranz, another former BMW exec, joined Faraday as chief technology officer. After cycling through a vast cast of executives with long-standing careers in the auto industry, it was a notable moment that Faraday still could bring in individuals packing illustrious careers.

But then, things got weirder.

While Faraday's outlook appeared slightly less grim, Jia's main endeavor—LeEco—was unraveling. In April, the company laid off most of its U.S. staff, after a significant cash crunch proved insurmountable. Suppliers started filing suit against the company, prompting a court in Shanghai in July to freeze \$182 million of assets held by Jia over defaulted payments.

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TV-maker Vizio filed a \$60 million lawsuit against LeEco over a failed acquisition. Earlier this month, Vizio moved to add Jia personally as a defendant, presenting a potentially significant financial liability that he'd have to endure.

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### Vizio's Tolerance for LeEco's Bullshit Has Come to an End

By many accounts, LeEco was set to be the next major player in the US tech market. But its bank...

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Faraday remarkably—and confusingly—asserted that Jia's issues actually aligned with the company's long-term goals. At the time, Jia announced he would resign from all of his positions tied to Leshi and focus solely on Faraday.

"This news has no impact on FF's daily operations, and aligns with FF's immediate goals of diversifying FF's investment sources, and getting FF 91 on the road within 2018," [a Faraday spokesperson said](#).

Days later, Faraday confirmed that it was [backing out of the planned \\$1 billion factory in Nevada](#). Instead, it planned to look for a new site. Krause was having success finding potential suitors—India-based automotive manufacturer Mahindra had been in serious talks to acquire Faraday, sources said—but nothing had panned out.

By August, Faraday's money was running out, but it had positive news to lean on: the company secured a \$14 million emergency loan to stay afloat, and it found [a new property in California to build out a factory](#). Still, that's an impossible task without significant capital, and Krause's \$1 billion fundraising round couldn't net any investors, despite more than two dozen parties expressing interest, one source familiar with the matter said.

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A large, mostly empty industrial building complex with several large, open areas where construction or assembly would have taken place. The structures are modern but lack the activity and equipment typically found in an active manufacturing facility.

The now-former empty site of Faraday's planned factory. Photo: AP

It wasn't Faraday's product that was an issue, multiple sources said. It was that investors were only willing to pursue the company if they retained full control, without Jia, or were allowed to restructure Faraday's debt in a Chapter 11 bankruptcy. Krause believed in the approach, sources said. Jia refused to relinquish any power.

The stalemate ushered in a new wave of departures. By early October, more founding executives left the company, and, on Oct. 14, Krause told Faraday he was resigning, effective immediately. A day later, CTO Kranz followed suit. More executives and employees have since departed, sources said.

"Stefan was the only thing keeping that company afloat," said one ex-employee. "The bankruptcy was the only way for FF to survive, he understood that removing Yueling was the only way to get FF out of this situation. Now that he's gone, they won't be in business for long."

LeEco's problems sparked Chinese regulators to place added scrutiny on companies like it. In recent weeks, the Chinese regulator that oversees the approval of public offerings from companies has been under fire, after two of its lawyers were detained for alleged wrongdoings pertaining to Leshi's 2010 fundraising effort, according to the South China Morning Post.

*While Jia remains a decision maker at the company, there is no way that it will ship a car.*

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Jia has denied speculation that Leshi's IPO was fraudulent. But he has laid low, keeping close to Faraday's headquarters in California. Rumors of a bankruptcy for Faraday swirled again last month, after Chinese news outlets published images of an apparent presentation given to possible investors.

The documents laid out a plan that called for Faraday to enter bankruptcy, and turn the company over to new investors—mirroring the approach Krause wanted to take. Faraday denied that it authorized the creation of the documents, but sources familiar with the matter said the details within unquestionably represented one such investment plan for Faraday that was on the table.

The strange, spiraling situation continued into November, after Krause's disagreement with Jia eventually came to a head, and the now-former CFO told Jalopnik he left the company weeks prior. Faraday retorted with a bombastic statement, saying it had actually fired him and threatened legal action for unspecified violations of law. (Krause's attorney didn't respond to a request for comment.)

One former employee said Faraday's approach and its characterization of Krause's eight-month tenure was nothing short of "bullshit." It's a similar tactic for Faraday, the ex-employee said.

"They're trying to save face," the source said. "This happened several times when I was working at the company; they immediately go into a reactionary mode."

On Monday, the chaos subsided with a brief moment of amazement: rumors leaked that India's Tata Motors, parent company of Jaguar Land Rover, planned to buy a 10 percent stake of Faraday for \$900 million. It was a lifesaver if there ever was one.

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Except it wasn't real. By Wednesday, the rumor was unequivocally shot down by Tata, following earlier denials from both sides.

"The news is not true and hence we do not have any comment," a Tata spokesperson told the Daily News and Analysis in India. One source familiar with the matter said the story was planted by Faraday insiders based in China, who wanted to portray Jia as being capable of moving the company in the right direction.

As if that's not enough, Jia's also facing accusations in a separate lawsuit that involves Ocean View Drive, the shell company that controls his mansion in Rancho Palos Verde. The lawsuit, filed by Miles Bernal, an apparent former employee of Ocean View, accuses Jia and the company of wrongful termination and lays out a series of charges against how Jia uses the entity for himself.

According to the previously unreported complaint, Jia and two other Faraday execs named in the case “commingled funds and treated company assets as their own, including but not limited to the personal use of the company vehicles and corporate funds.” The suit also claims Jia diverted Ocean View assets to themselves while “maintaining liability” in the company. Bernal’s attorney didn’t respond to a request for comment, and Ocean View’s attorneys couldn’t be reached for comment. The case is ongoing and a hearing is scheduled for Nov. 27.

Jia still has close counterparts in his inner circle who seem willing to go along for whatever’s left of the ride, even as Faraday’s position appears impossibly precarious. Remaining LeEco employees loyal to him have been transferred to replace departed Faraday staffers, sources said.

Holed up in California, in the face of daunting circumstances, Jia’s projecting an unflappable confidence in himself and his vision, sources said. For one thing, his incredible business plan of Faraday producing upward of three million cars annually within 10 years is back on the table, a source familiar with the matter said.

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But if Jia can recruit enough believers—once again—to the company is another question.

“Everyone at FF that didn’t come from LeEco believes that while [Jia] remains a decision maker at the company,” one ex-employee said, “there is no way that it will ship a car.”

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China's wealthy elite are the children of the Party officials and Military executives running the banks of a Communist country that stripped the wealth from the entire country for almost 100 years now. It is not a meritocracy.

Reply



Blu-Hue ([//kinja.com/ice7478](https://kinja.com/ice7478)) > I used to own a Jetstar1  
 11/17/17 12:26pm (<https://jalopnik.com/1820547387>)  
 ([//kinja.com/ice7478](https://kinja.com/ice7478))

I don't think our capitalism is any more noble.

Reply



I used to own a Jetstar1 ([//kinja.com/jestar1](https://kinja.com/jestar1)) > Blu-Hue  
 11/17/17 12:29pm (<https://jalopnik.com/1820547487>)  
 ([//kinja.com/jestar1](https://kinja.com/jestar1))

fuck nobility. At least here you aren't subject to draconian rule...yet.

Reply



The-Guy-They-Warned-You-About ([//kinja.com/the-guy-they-warned-you-about](https://kinja.com/the-guy-they-warned-you-about)) > I used t...  
 11/17/17 12:38pm (<https://jalopnik.com/1820547869>)

Give the Democrats more time

Reply



Nobody ([//kinja.com/nobodysbusin...](https://kinja.com/nobodysbusin...)) > I used to own a Jet...  
 11/17/17 12:41pm (<https://jalopnik.com/1820547995>)  
 ([//kinja.com/nobodysbusinessme](https://kinja.com/nobodysbusinessme))

You should go visit China; even better, stay there for a year. Your perception about "draconian rule" might change; it might even flip...

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BiPolarWithCars ([//kinja.com/BiPolarWithCars](https://kinja.com/BiPolarWithCars)) > Ryan Felton  
 11/17/17 1:18pm (<https://jalopnik.com/1820549624>)  
 ([//kinja.com/BiPolarWithCars](https://kinja.com/BiPolarWithCars))

At some point, the tech startups are going to have to realize that the only real way to disrupt the car business is to either partner up with an established manufacturer or buy an established manufacturer.

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cars are not tablets. Cars are extremely complicated machines that utilize dozens of computers and have to keep people safe while complying with dozens of regulations.

Tesla is learning that mass manufacturing is no joke the hard way. Faraday learned it the very hard way.

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4

Bricks ([//kinja.com/bricks](http://kinja.com/bricks)) > BiPolarWithCars

11/17/17 3:53pm (<https://jalopnik.com/1820556224>)

([//kinja.com/bricks](http://kinja.com/bricks))

I agree with this statement, though I will add that the “cars are complicated” bit really only applies to autos in 1st world countries with proper (although sometimes constraining) auto regulations.

[↪ Reply](#)



([//kinja.com/soundman98](http://kinja.com/soundman98))

soundman98 ([//kinja.com/soundman98](http://kinja.com/soundman98)) > Bricks

11/17/17 11:46pm (<https://jalopnik.com/1820566619>)

which is an interesting point— no one really seems to be trying to #disrupt the south african auto market...

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1

Bricks ([//kinja.com/bricks](http://kinja.com/bricks)) > soundman98

11/18/17 9:25am (<https://jalopnik.com/1820570887>)

([//kinja.com/bricks](http://kinja.com/bricks))

I swear there are some companies designing and building more accessible vehicles for the African/3rd world market. though that isn’t really #disruption as much as it’s filling a market gap with noble intentions (which is better than what the majority of silicon valley startups are doing.)

[↪ Reply](#)



15

YellowT5R ([//kinja.com/jayt5r](http://kinja.com/jayt5r)) > Ryan Felton

11/17/17 12:42pm (<https://jalopnik.com/1820548029>)

([//kinja.com/jayt5r](http://kinja.com/jayt5r))

I produce some high tech snake oil. Which when you pump it in your car will make it run on electricity. Any one want to invest?

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2

Seaking ([//kinja.com/seakingfyeah](http://kinja.com/seakingfyeah)) > YellowT5R

11/17/17 2:46pm (<https://jalopnik.com/1820553551>)

([//kinja.com/seakingfyeah](http://kinja.com/seakingfyeah))

You should switch to dinosaur oils.

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1

Doctor-G-and-the-wagen ([//kinja.com/cmurr](http://kinja.com/cmurr)) > YellowT5R

11/17/17 6:37pm (<https://jalopnik.com/1820561529>)

([//kinja.com/cmurr](http://kinja.com/cmurr))

\*dons fake fu man chu\* Hello yes I am the Chinese businessman. I would like to purchase and acquire this company of yours with this suitcase full of the monies. They are the special paper monies which are blank on the one side!

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(//kinja.com/soundman98)

(//kinja.com/soundman98)

soundman98 (//kinja.com/soundman98) &gt; Seaking

11/17/17 11:46pm (https://jalopnik.com/1820566624)

that'll never last. they don't make dinosaurs anymore.

[Reply](#)

(//kinja.com/EchtoGammut)

EchtoGammut (//kinja.com/EchtoGammut) &gt; Ryan Felton

11/17/17 4:50pm (https://jalopnik.com/1820558175)

(//kinja.com/EchtoGammut)

Understanding the why and how Chinese think is very hard for westerners, hell it's hard for almost everyone not Chinese. Most people are familiar with concept of face, but I can guarantee that unless you have spent a fair amount of time in China you have no idea how deep it goes. Nor, do most American politicians seem to realize how often they are being insulted by Chinese officials in a game of face that they didn't realize they were playing.

First off his first name is Yueting, referring to him as Jia (which most of the western press does), is odd without saying Mr. Jia. Generally speaking, in writing, most Chinese refer to one another by their whole name, surname first. This is odd, if you are not familiar with Asian writing, because we tend to write just a person's first name after writing down the initial full name.

The next oddball thing is that Chinese glorify concepts that we in the west view with disdain. Everything about being a nouveau riche is seen as aspirational in China. They have a concept, which could be loosely translated to as "slamming with money", in which if you are wealthy enough you can do pretty much anything to someone, force them to lose face, then just throw money at them (sometimes literally) and they are expect to go away. This is not seen as corruption, what falls into corruption is whole different discussion.

The Chinese also have this bizarre notion of, (dammit can't think what it's called), but basically it comes down to it is better to take the profits of today, than to wait for the investment of tomorrow. It is something that everyone who does business with China will deal with and it's baffling. It is the reason why if you take a product to China for manufacturing, they will sell it to someone else for a quick buck, even if that means they give up years of potential business with you. It is also why Chinese manufacturers who have come to America have made multiple deals with multiple states and taken quick bucks given for those deals and never followed through. States and cities not understanding Chinese culture tend to get screwed over and over due to this quirk.

So, while Yueting's action seem bizarre, they are a bit more understandable if you look at it through the filter of Chinese society. Although at the heart of the whole thing, he's a man who bites off more than he can chew.

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(//kinja.com/adhominem)

adhominem (//kinja.com/adhominem) &gt; EchtoGammut

11/18/17 2:19am (https://jalopnik.com/1820568225)

I disagree with you in one point: In the west, in reporting, the usual practice is to introduce the subject with their full name, and then referring to them by their last name only. So using "Jia" to refer to Jia Yueting is correct, as is using

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I'm on the fence with that, but I will concede it is a somewhat common to refer to a person just by their last name in the west. Although it depends a bit on how common their last name is, especially in the context of what is being written. For example Musk will rarely be confused with another.

[Reply](#)adhominem ([//kinja.com/adhominem](http://kinja.com/adhominem)) > EchtoGammut11/22/17 12:15pm (<https://jalopnik.com/1820682372>)

Just look at the article. Examples include Bernal, Krause, Mattiaci - in fact, the firstname-and-lastname-then-lastname-only pattern is used pretty consistently throughout the piece. You only need to mention the first name again if there are several people with the same last name mentioned in one article.

[Reply](#)CalBearsFan99 ([//kinja.com/calbearsfan99](http://kinja.com/calbearsfan99)) > Ryan Felton11/17/17 1:12pm (<https://jalopnik.com/1820549327>)([//kinja.com/calbearsfan99](http://kinja.com/calbearsfan99))**You May Like**

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